

From: coastal@realtyconnect.net [mailto:coastal@realtyconnect.net]
Sent: Monday, October 24, 2005 1:00 PM
To: ATR-Real Estate Workshop
Subject: Competition In Real Estate

To Whom It May Concern-

My name is Jon Perkins and I've been in the real estate business for more than 12 years. I understand the concerns of the DOJ with free trade and competitive markets, and appreciate the fact the DOJ is looking into the matter.

From my standpoint we do have significant competition in the industry as it is in fact much more than most other industries. This is largely due to the fact it is relatively easy to get a real estate license in most states. To emphasize this point, statistics in our area show that there are approximately 1600 members of our local MLS, and I believe there were approximately 4500 transaction sides last year. That's an average of less than 3 transaction sides per agent! I don't know what the numbers are in other areas, but it would not surprise me at all to find the "average" national income (based on sales prices, number of transactions, and total number of licensed agents) was much less than other industries (and this doesn't even take into account advertising costs, broker splits, etc, which reduce an agent's income another 30%).

The real question is that if the average NET income in the industry is lower than others (I'm sure income statistics are readily available but do they reflect net income, not gross?), why are we considering bringing in additional competition from large corporations that could put tens of thousands of "small business owners" (each real estate agent is one) out of business?

When you look at it more closely, current proposals may have the exact opposite effect of what I understand you're looking for. The "little guys" will be forced out of business by large corporations, and competition will be significantly reduced.

Thank you,

Jon Perkins

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